



### ABSTRACT

Treasuries and Accounts Department – Operational Guidelines for remittance of Tax Deducted at Sources (TDS) under Goods and Services Tax (GST) Act 2017 – Orders – Issued.

### FINANCE [T&A-III] DEPARTMENT

G.O.(Ms) No.342

Dated: 17.10.2018.  
Vilambi, Purattasi - 31.  
Thiruvalluvar Aandu -2049.

Read:

1. G.O.(Ms.) No.122, Commercial Taxes and Registration (B1) Department, Dated: 12.09.2018.
2. From the Additional Chief Secretary/ Commissioner of Commercial Taxes, D.O.Letter No.306/ 2017/A3-II/ Taxation Cell, Dated: 18.09.2018.
3. From the Principal Secretary/ Commissioner of Treasuries and Accounts, Letter No.55640/E1/2017, Dated: 10.10.2018.

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### ORDER:

In the letter third read above, the Principal Secretary/ Commissioner of Treasuries and Accounts has stated that the Additional Chief Secretary/ Commissioner of Commercial Taxes has informed the following:-

- (i) As per the Government Order first read above, and the Notification No.50/ 2018 Central Tax dated: 13.09.2018 issued by the Government, the provisions relating to Tax deduction at source under section 51 of TNGST/ CGST Act has come into force from 1<sup>st</sup> October, 2018. As per Section 51 of the TNGST Act, 2017 read with above notifications, the following persons have to deduct tax at source at the rate of (One Percent for SGST + One Percent for CGST) from the payment made or credited to the supplier of taxable goods or services or both, where the total value of such supply, under a contract, exceeds two lakh and fifty thousand rupees:

- a) a department or establishment of the Central Government or State Government; or
- b) local authority; or
- c) Governmental agencies; or
- d) (A) an authority or board or any other body –

- (i) Set up by an Act of Parliament or a State Legislature; or
- (ii) established by any Government,

with fifty-one percent or more participation by way of equality or control, to carry out any function;

(B) Society established by the Central Government or the State Government or a Local Authority under the Societies Registration Act, 1860 (21 of 1860);

(C) Public Sector Undertakings.

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- (ii) Hence, all Drawing and Disbursing Officers of Government of Tamil Nadu, Financial Control officials employed in the Societies, Board, any other body and Public Sector Undertaking shall be informed that they must deduct TDS at the rate of one percent for SGST and another one percent for CGST from the payment made or credited to the supplier of taxable goods or services or both, where the total value of such supply, under a contract, exceeds two lakh and fifty thousand rupees, **with effect from 01.10.2018**. The value of supply shall be taken as the amount excluding Central tax, State tax, Integrated tax and cess indicated in the invoice.
- (iii) The DDOs who are liable to deduct TDS, have to register themselves under the GST Act, 2017 through common portal, [www.gstgov.in](http://www.gstgov.in) by filing application for registration in GST REG-07 for which TAN is a must. If PAN is available it can also be used for this purpose. GSTIN will be granted within three working days through the common portal. As and when the tax is deducted at source, the deductor has to pay the same to the Government within 10 days after the end of the month in which such deduction is made through a return in GSTR 7 in the common portal. This return cannot be filed without full payment of liability. Further the deductor has to issue TDS certificate in GSTR 7 A to be taken from the common portal and this has to be issued within five days of crediting the amount so deducted to Government.
- (iv) The Government of India has issued guidelines for deduction of TDS by DDOs with two options for payment made through Treasuries and this mode may be based on PFMS. Hence a suitable method has to be evolved and procedure to be followed by the State Government shall be circulated to the DDOs, prescribing the methodology for making such TDS payment.

2) The matter has been examined by the Government a few meetings with the Treasuries and Accounts and Commissioner of Commercial Tax department has also been conducted to finalize the methodology. It is seen that registration of all DDOs under GST for TDS purpose may not be desirable and hence decided that the DDOs of Heads of Departments having more transactions and making payments to the vendors frequently may be identified through Treasuries and Accounts Department and for other Heads of Departments, one DDO attached to the Heads of Department may be nominated to get registration under GST to make TDS payment, filing of return in GSTR 7 and issue of TDS certificate in GSTR 7A. It was observed that about 29,000 Drawing and Disbursing Officers are in the State and all of them are not having transactions regularly. Therefore, it was decided that all the 29,000 DDOs need not be registered under GST Act for the purpose of TDS remittance under GST and instead Nodal Officers for TDS on GST may be notified for each Department based on the volume of work.

3) The provisions relating to TDS under Section 51 of TNGST/CGST has been notified in the Government order first read above and the same has come into force w.e.f. 01.10.2018. After considering the various issues involved in the matter and the statutory obligations to be fulfilled, the Government issue the following operational guidelines for remittance of Tax Deducted at Sources (TDS) under Goods and Services Tax (GST) Act 2017, as per the G.O. and Gazette Notification first and second read above.

## I. Role of Head of Department

- (a) About 35,000 transactions fall under the category of more than Rs.2.5 Lakhs which are done by 2007 Nos. of DDOs. All these DDOs are from different Departments and different Districts. Thus number of transactions per DDO in a year is very less. Therefore, the Departments shall nominate Nodal Officers at State level/ Zonal level/ Division level based on number of transactions in the respective Department and communicate numbers the same to Treasuries and Accounts and Commercial Taxes Department.
- (b) As the PWD, Highways, Departments have more number of transactions on contract works Nodal Officers, may be designated at District level by these departments and the list shall be sent to Treasuries and Accounts and Commissioner of Commercial Taxes Department.

## II. Role of Nodal Officers

- (a) The Nodal Officers designated by the respective HOD shall open a separate Bank Account to credit the TDS on GST amount.
- (b) The Nodal Officers designated by the Head of the Department have to register in the GSTN Portal as a Tax Deductor with GST as per guidelines issued by the Additional Chief Secretary to Government, Commercial Taxes and Registration Department's D.O.Letter No.8678/ B1/ 2017, Dated: 2.8.2017.
- (c) After the Registration, the Nodal Officer Bank Account Details (exclusively opened for TDS on GST) and GST-TAN details shall be sent to the DDOs under their control.
- (d) The DDOs in the concerned Department shall send TDS on GST amount to Nodal Officers Bank Account (exclusively opened for TDS on GST) through PAOs/ Treasuries by ECS.
- (e) The Nodal Officer have to receive the details of amount, GSTIN of the Contractor, Invoice details from the DDOs in consolidated manner at the end of the month.
- (f) Necessary reconciliation of the details submitted by the DDOs shall be done by the Nodal Officer with reference to the amount credited at Nodal Officer's Bank Account.
- (g) As per GST Act, the amount so deducted shall be remitted in GSTN along with GSTR7 on before 10<sup>th</sup> of succeeding month. Hence the Nodal Officer has to remit the amount deducted from the DDOs, through GSTN Portal by Internet Banking/ NEFT/ RTGS as per guidelines with the details sent by the DDOs at Units.
- (h) Intimation on the remittances with details shall be sent by the Nodal Officer to DDOs concerned.

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### III. Role of Drawing and Disbursing Officers

- (a) The Drawing and Disbursing Officers shall submit the Bills along with Vouchers to PAOs/ Treasuries with a schedule of TDS on GST for making payment.
- (b) The Schedule contains the details of DDO, Nodal Officer GST TAN No. Contractor/ Suppliers GSTIN No., Invoice Details etc. **(Treasuries and Accounts and Commercial Taxes Departments to prescribe a common format for use by all DDOs)**
- (c) Bill shall be submitted to the Treasuries/ PAOs to make two payments through ECS. One for Contractor/ Supplier duly deducting the TDS on GST and another in favour Nodal Officers Bank Account (exclusively opened for TDS on GST).
- (d) As per guidelines, the deductions shall be made in the following rates:-
  - i. One per cent for State GST on such payment made or credited for supplies within the State and
  - ii. One percent for Central GST on such payment made or credited for supplies within the State
  - iii. Two percent for Integrated GST on such payment made or credited for inter-State supplies.
- (e) The DDO have to download the amount transferred to Nodal Officer from Treasury website. This shall be reconciled and schedules shall be sent to Nodal Officer.
- (f) It is the duty of the DDO to furnish entire details to Nodal Officer to e-file returns in GST.

### IV. Role of PAO/ Treasury

- (a) Admit the bills presented by the DDO for making two payments through ECS one for Contractor/ Supplier Bank Account and another for Nodal Officers Bank Account (Exclusively opened for TDS on GST)
- (b) While DDOs present bills, TDS may be deducted by the respective DDOs and amount may be transferred to Nodal Officers Bank Account through ECS by the PAOs/ Treasuries. The rest of the payments including balance GST may be transferred to the Suppliers through ECS by the PAOs/ Treasuries as per instructions issued in Government orders.
- (c) Treasuries and Accounts Department shall make provision in IFHRMS to make ECS payment to the Nodal Officer, updating the details of DDO, Nodal Officer GST-TAN No, Bank Account, Contractor/ Supplier's GSTIN No. etc. and make Report Generation from DDO level, Nodal Officer level and PAO/Treasury level with the details of amount remitted in consultation with Commercial Taxes Department.

**V. Role of Commercial Taxes Department**

- (a) Training Programme to be conducted to all Nodal Officers/ DDOs/ Treasury Officials by the Commercial Tax Department at State level and District Level in respect of e-filing, GST deductions etc.
- (b) The Commercial Taxes Department have to issue the guidelines for TDS deductions and e-file returns in GST Portal.
- (c) Help Desk shall be created by the Commercial Taxes Department to help the Nodal Officers/ DDOs.

**VI. Role of National Informatics Centre**

- (a) NIC shall develop additional provision in ATBPS and in Web : Payroll/ Payroll software for Non Salary Bills for the inclusion of making ECS payment to the Nodal Officer, updating the details of Nodal Officer GST-TAN No, Bank Account, Contractor/ Supplier's GSTIN No. etc.
- (b) Report Generation from DDO level, Nodal Officer level and PAO/Treasury level with the details of amount remitted shall be given.
- 4) The operational guidelines issued in this Government orders shall be followed scrupulously by all the HODs so as to ensure prompt remittance of TDS made under GST Act within the due dates prescribed for this purpose and thereby avoid payment of penal charges on delayed remittance. The HODs are further directed to complete the process envisaged for them **within three days** from the date of issue of this Government order and co-operate and co-ordinate with the Treasuries and Accounts Department and Commercial Taxes Department to fully comply with the guidelines and be ready for making TDS remittances.

(BY ORDER OF THE GOVERNOR)

**K.SHANMUGAM,**  
**ADDITIONAL CHIEF SECRETARY TO GOVERNMENT.**

To  
The Principal Secretary/ Commissioner of Treasuries and Accounts, Chennai-35.  
The Principal Secretary to Government,  
Commercial Taxes and Registration Department, Secretariat, Chennai-9.  
The Additional Chief Secretary/ Commissioner of Commercial Taxes, Chepauk,  
Chennai-5.  
National Informatics Centre, Secretariat, Chennai-9  
All Secretaries to Government, Secretariat, Chennai-9.  
All PAOs/ All Districts Treasuries.  
The Accountant General (Accounts and Entitlements/ Audit), Chennai-18.

**Copy to:**

The Office of the Hon'ble Deputy Chief Minister, Secretariat, Chennai-9.  
Stock file/ Spare copy.

**// FORWARDED / BY ORDER //**

**SECTION OFFICER.**

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